

State of Arizona
Senate
Forty-fifth Legislature
Second Regular Session
2002

CHAPTER 321

SENATE BILL 1060

AN ACT

AMENDING SECTIONS 15-2041, 31-252, 41-1604.07 AND 41-1604.09, ARIZONA REVISED STATUTES; AMENDING LAWS 2001, CHAPTER 234, SECTION 1; AMENDING LAWS 2001, CHAPTER 236, SECTION 72; AMENDING LAWS 2001, CHAPTER 344, SECTION 100; REPEALING LAWS 2001, CHAPTER 344, SECTION 122; AMENDING LAWS 2001, SECOND SPECIAL SESSION, CHAPTER 3, SECTION 5; AMENDING LAWS 2001, SECOND SPECIAL SESSION, CHAPTER 5, SECTION 7, AS AMENDED BY LAWS 2002, THIRD SPECIAL SESSION, CHAPTER 2, SECTION 1; AMENDING LAWS 2001, SECOND SPECIAL SESSION, CHAPTER 5, SECTION 18, AS AMENDED BY LAWS 2002, THIRD SPECIAL SESSION, CHAPTER 2, SECTION 3; AMENDING LAWS 2001, SECOND SPECIAL SESSION, CHAPTER 5, SECTION 21, AS AMENDED BY LAWS 2002, THIRD SPECIAL SESSION, CHAPTER 2, SECTION 5; AMENDING LAWS 2002, CHAPTER 6, SECTION 1; MAKING APPROPRIATIONS; RELATING TO PUBLIC FINANCES AND BUDGET RECONCILIATION.

(TEXT OF BILL BEGINS ON NEXT PAGE)

1 Be it enacted by the Legislature of the State of Arizona:

2 Section 1. Section 15-2041, Arizona Revised Statutes, is amended to
3 read:

4 15-2041. New school facilities fund; capital plan

5 A. A new school facilities fund is established consisting of monies
6 appropriated by the legislature and monies credited to the fund pursuant to
7 section 37-221 or 42-5030.01. The school facilities board shall administer
8 the fund and distribute monies, as a continuing appropriation, to school
9 districts for the purpose of constructing new school facilities. On June 30
10 of each fiscal year, any unobligated contract monies in the new school
11 facilities fund shall be transferred to the capital reserve fund established
12 by section 15-2003.

13 B. The school facilities board shall prescribe a uniform format for
14 use by the school district governing board in developing and annually
15 updating a capital plan that consists of each of the following:

16 1. Enrollment projections for the next five years for elementary
17 schools and eight years for middle and high schools, including a description
18 of the methods used to make the projections.

19 2. A description of new schools or additions to existing schools
20 needed to meet the building adequacy standards prescribed in section 15-2011.
21 The description shall include:

22 (a) The grade levels and the total number of pupils that the school
23 or addition is intended to serve.

24 (b) The year in which it is necessary for the school or addition to
25 begin operations.

26 (c) A timeline that shows the planning and construction process for
27 the school or addition.

28 3. Long-term projections of the need for land for new schools.

29 4. Any other necessary information required by the school facilities
30 board to evaluate a school district's capital plan.

31 C. If the capital plan indicates a need for a new school or an
32 addition to an existing school within the next four years or a need for land
33 within the next ten years, the school district shall submit its plan to the
34 school facilities board and shall request monies from the new school
35 facilities fund for the new construction or land. Monies provided for land
36 shall be in addition to any monies provided pursuant to subsection D of this
37 section.

38 D. The school facilities board shall distribute monies from the new
39 school facilities fund as follows:

40 1. The school facilities board shall review and evaluate the
41 enrollment projections and either approve the projections as submitted or
42 revise the projections. In determining new construction requirements, the
43 school facilities board shall determine the net new growth of pupils that

1 will require additional square footage that exceeds the building adequacy
2 standards prescribed in section 15-2011.

3 2. If the approved projections indicate that additional space will not
4 be needed within the next two years for elementary schools or three years for
5 middle or high schools in order to meet the building adequacy standards
6 prescribed in section 15-2011, the request shall be held for consideration
7 by the school facilities board for possible future funding and the school
8 district shall annually submit an updated plan until the additional space is
9 needed.

10 3. If the approved projections indicate that additional space will be
11 needed within the next two years for elementary schools or three years for
12 middle or high schools in order to meet the building adequacy standards
13 prescribed in section 15-2011, the school facilities board shall provide an
14 amount as follows:

15 (a) Determine the number of pupils requiring additional square footage
16 to meet building adequacy standards. This amount for elementary schools
17 shall not be less than the number of new pupils for whom space will be needed
18 in the next year and shall not exceed the number of new pupils for whom space
19 will be needed in the next five years. This amount for middle and high
20 schools shall not be less than the number of new pupils for whom space will
21 be needed in the next four years and shall not exceed the number of new
22 pupils for whom space will be needed in the next eight years.

23 (b) Multiply the number of pupils determined in subdivision (a) of
24 this paragraph by the square footage per pupil. The square footage per pupil
25 is ninety square feet per pupil for preschool children with disabilities,
26 kindergarten programs and grades one through six, one hundred square feet for
27 grades seven and eight, one hundred thirty-four square feet for a school
28 district that provides instruction in grades nine through twelve for fewer
29 than one thousand eight hundred pupils and one hundred twenty-five square
30 feet for a school district that provides instruction in grades nine through
31 twelve for at least one thousand eight hundred pupils. The total number of
32 pupils in grades nine through twelve in the district shall determine the
33 square footage factor to use for net new pupils. The school facilities board
34 may modify the square footage requirements prescribed in this subdivision for
35 particular schools based on any of the following factors:

36 (i) The number of pupils served or projected to be served by the
37 school district.

38 (ii) Geographic factors.

39 (iii) Grade configurations other than those prescribed in this
40 subdivision.

41 (iv) Compliance with minimum school facility adequacy requirements
42 established pursuant to section 15-2011.

43 (c) Multiply the product obtained in subdivision (b) of this paragraph
44 by the cost per square foot. The cost per square foot is ninety dollars for

1 preschool children with disabilities, kindergarten programs and grades one
2 through six, ninety-five dollars for grades seven and eight and one hundred
3 ten dollars for grades nine through twelve. The cost per square foot shall
4 be adjusted annually for construction market considerations based on an index
5 identified or developed by the joint legislative budget committee as
6 necessary but not less than once each year. The school facilities board
7 shall multiply the cost per square foot by 1.05 for any school district
8 located in a rural area. The school facilities board may modify the base
9 cost per square foot prescribed in this subdivision for particular schools
10 based on geographic conditions or site conditions. For purposes of this
11 subdivision, "rural area" means an area outside a thirty-five mile radius of
12 a boundary of a municipality with a population of more than fifty thousand
13 persons according to the most recent United States decennial census.

14 (d) Once the school district governing board obtains approval from the
15 school facilities board for new facility construction funds, additional
16 portable or modular square footage created for the express purpose of
17 providing temporary space for pupils until the completion of the new facility
18 shall not be included by the school facilities board for the purpose of new
19 construction funding calculations. On completion of the new facility
20 construction project, if the portable or modular facilities continue in use,
21 then the portable or modular facilities shall be included as prescribed by
22 this chapter, unless the school facilities board approves their continued use
23 for the purpose of providing temporary space for pupils until the completion
24 of the next new facility that has been approved for funding from the new
25 school facilities fund.

26 4. FOR PROJECTS APPROVED AFTER DECEMBER 31, 2001, AND NOTWITHSTANDING
27 PARAGRAPH 3 OF THIS SUBSECTION, A UNIFIED SCHOOL DISTRICT THAT DOES NOT HAVE
28 A HIGH SCHOOL IS NOT ELIGIBLE TO RECEIVE HIGH SCHOOL SPACE AS PRESCRIBED BY
29 SECTION 15-2011 AND THIS SECTION UNLESS THE UNIFIED DISTRICT QUALIFIES FOR
30 GEOGRAPHIC FACTORS PRESCRIBED BY PARAGRAPH 3, SUBDIVISION (b), ITEM (ii) OF
31 THIS SUBSECTION.

32 E. Monies for architectural and engineering fees shall be distributed
33 on the completion of the analysis by the school facilities board of the
34 school district's request. After receiving monies pursuant to this
35 subsection, the school district shall submit a design development plan for
36 the school or addition to the school facilities board before any monies for
37 construction are distributed. If the school district's request meets the
38 building adequacy standards, the school facilities board may review and
39 comment on the district's plan with respect to the efficiency and
40 effectiveness of the plan in meeting state square footage and facility
41 standards before distributing the remainder of the monies. The school
42 facilities board may decline to fund the project if the square footage is no
43 longer required due to revised enrollment projections.

1 F. The school facilities board shall distribute the monies needed for
2 land for new schools so that land may be purchased at a price that is less
3 than or equal to fair market value and in advance of the construction of the
4 new school. If necessary, the school facilities board may distribute monies
5 for land to be leased for new schools if the duration of the lease exceeds
6 the life expectancy of the school facility by at least fifty per cent. The
7 proceeds derived through the sale of any land purchased or partially
8 purchased with monies provided by the school facilities board shall be
9 returned to the state fund from which it was appropriated and to any other
10 participating entity on a proportional basis. If a school district acquires
11 real property by donation at an appropriate school site approved by the
12 school facilities board, the school facilities board shall distribute an
13 amount equal to twenty per cent of the fair market value of the donated real
14 property that can be used for academic purposes. The school district shall
15 place the monies in the unrestricted capital outlay fund and increase the
16 unrestricted capital outlay limit by the amount of monies placed in the
17 fund. Monies distributed under this subsection shall be distributed from the
18 new school facilities fund.

19 G. In addition to distributions to school districts based on pupil
20 growth projections, a school district may submit an application to the school
21 facilities board for monies from the new school facilities fund if one or
22 more school buildings have outlived their useful life. If the school
23 facilities board determines that the school district needs to build a new
24 school building for these reasons, the school facilities board shall remove
25 the square footage computations that represent the building from the
26 computation of the school district's total square footage for purposes of
27 this section. If the square footage recomputation reflects that the school
28 district no longer meets building adequacy standards, the school district
29 qualifies for a distribution of monies from the new school construction
30 formula in an amount determined pursuant to subsection D of this
31 section. Buildings removed from a school district's total square footage
32 pursuant to this subsection shall not be included in the computation of
33 monies from the building renewal fund established by section 15-2031. The
34 school facilities board may modify the base cost per square foot prescribed
35 in this subsection under extraordinary circumstances for geographic factors
36 or site conditions.

37 H. School districts that receive monies from the new school facilities
38 fund shall establish a district new school facilities fund and shall use the
39 monies in the district new school facilities fund only for the purposes
40 prescribed in this section. By October 15 of each year, each school district
41 shall report to the school facilities board the projects funded at each
42 school in the previous fiscal year with monies from the district new school
43 facilities fund and shall provide an accounting of the monies remaining in
44 the new school facilities fund at the end of the previous fiscal year.

1 I. If a school district has surplus monies received from the new
2 schools SCHOOL facilities fund, the school district may use the surplus
3 monies for any other capital purpose.

4 J. The board's consideration of any application filed after July 1,
5 2001 for monies to fund the construction of new school facilities proposed
6 to be located in territory in the vicinity of a military airport as defined
7 in section 28-8461 shall include, if after notice is transmitted to the
8 military airport pursuant to section 15-2002 and before the public hearing
9 the military airport provides comments and analysis concerning compatibility
10 of the proposed school facilities with the high noise or accident potential
11 generated by military airport operations that may have an adverse effect on
12 public health and safety, consideration and analysis of the comments and
13 analysis provided by the military airport before making a final
14 determination.

15 Sec. 2. Section 31-252, Arizona Revised Statutes, is amended to read:

16 31-252. Use of prisoners in public works; cooperative prisoner
17 labor system; definitions

18 A. The director may enter into a cooperative agreement with any state
19 agency or political subdivision of this state or any department or agency of
20 the federal government to provide hard labor by prisoners on public works.

21 B. The director shall develop and maintain a cooperative prison labor
22 system for the purpose of establishing plans and procedures for initiating,
23 entering into and executing contracts pursuant to subsection A. The system
24 shall include procedures providing for:

25 1. Facilitation of communication between the department and other
26 state agencies and political subdivisions regarding the need for and
27 utilization of hard labor by prisoners on public works.

28 2. As a condition of every cooperative agreement entered into pursuant
29 to subsection A, cost sharing between the department and the state agency or
30 political subdivision for the maintenance of prisoners engaged in work
31 projects outside of a corrections facility of the department, including
32 transportation, supervision, security, housing, food and health services.

33 C. The director may authorize the use of prisoner work crews to
34 participate in community betterment projects for public and private nonprofit
35 entities. The department may compensate prisoner work crews from monies
36 appropriated by the legislature for the work incentive pay program
37 established by the department. Before allowing a prisoner work crew to
38 participate in a community betterment project, the department shall determine
39 that the project and the manner of prisoner compensation comply with article
40 IX, section 7, Constitution of Arizona.

41 D. PURSUANT TO RULES ADOPTED BY THE DIRECTOR, ON COMMITMENT TO THE
42 DEPARTMENT, EACH PRISONER SHALL BE PLACED IN AN EARNING STATUS BEGINNING ON
43 THE PRISONER'S SENTENCE BEGIN DATE.

44 E. For purposes of this section:

1 1. "Community betterment project" means any public or private works
2 project that uses prisoners and serves to benefit this state in terms of
3 health, safety, welfare or aesthetics.

4 2. "Public works" means the maintenance, construction or adaptation
5 of public land or any building, structure, erection or improvement on public
6 land including roads, flood control projects and parks.

7 Sec. 3. Section 41-1604.07, Arizona Revised Statutes, is amended to
8 read:

9 41-1604.07. Earned release credits; forfeiture; restoration

10 A. Pursuant to rules adopted by the director, each prisoner in the
11 eligible earned release credit class shall be allowed an earned release
12 credit of one day for every six days served, INCLUDING TIME SERVED IN COUNTY
13 JAILS, except for those prisoners who are sentenced to serve the full term
14 of imprisonment imposed by the court.

15 B. Release credits earned by a prisoner pursuant to subsection A of
16 this section shall not reduce the term of imprisonment imposed by the court
17 on the prisoner.

18 C. On reclassification of a prisoner resulting from the prisoner's
19 failure to adhere to the rules of the department or failure to demonstrate
20 a continual willingness to volunteer for or successfully participate in a
21 work, educational, treatment or training program, the director may declare
22 all release credits earned by the prisoner forfeited. In the discretion of
23 the director forfeited release credits may subsequently be restored. The
24 director shall maintain an account of release credits earned by each
25 prisoner.

26 D. A prisoner who has reached the prisoner's earned release date or
27 sentence expiration date shall be released to begin the prisoner's term of
28 community supervision imposed by the court or term of probation if the court
29 waived community supervision pursuant to section 13-603, except that the
30 director may deny or delay the prisoner's release to community supervision
31 or probation if the director believes the prisoner may be a sexually violent
32 person as defined in section 36-3701 until the screening process is complete
33 and the director determines that the prisoner will not be referred to the
34 county attorney pursuant to section 36-3702. If the term of community
35 supervision is waived, the state department of corrections shall provide
36 reasonable notice to the probation department of the scheduled release of the
37 prisoner from confinement by the department. If the court waives community
38 supervision, the director shall issue the prisoner an absolute discharge on
39 the prisoner's earned release credit date. A prisoner who is released on the
40 earned release credit date to serve a term of probation is not under the
41 control of the state department of corrections when community supervision has
42 been waived and the state department of corrections is not required to
43 provide parole services.

1 E. Notwithstanding subsection D of this section, a prisoner who fails
2 to achieve functional literacy at an eighth grade literacy level shall not
3 be released to begin the prisoner's term of community supervision until
4 either the prisoner achieves an eighth grade functional literacy level as
5 measured by standardized assessment testing or the prisoner serves the full
6 term of imprisonment imposed by the court, whichever first occurs. This
7 subsection does not apply to inmates who are any of the following:

8 1. Unable to meet the functional literacy standard required by section
9 31-229.02, subsection A, due to a medical, developmental or learning
10 disability as described in section 31-229, subsection C.

11 2. Classified as level five offenders.

12 3. Foreign nationals.

13 4. Inmates who have less than six months incarceration to serve on
14 commitment to the department.

15 5. Scheduled for release from the inmate's current sentence ~~within one~~
16 ~~year of the effective date of this section~~ BY JULY 18, 2001.

17 F. The department shall establish conditions of community supervision
18 it deems appropriate in order to ensure that the best interests of the
19 prisoner and the citizens of this state are served. These conditions may
20 include participation in a rehabilitation program or counseling and
21 performance of community service work. If a prisoner who reaches the
22 prisoner's earned release credit date refuses to sign and agree to abide by
23 the conditions of supervision before release on community supervision, the
24 prisoner shall not be released. When the prisoner reaches the sentence
25 expiration date, the prisoner shall be released to begin the term of
26 community supervision. If the prisoner refuses to sign and agree to abide
27 by the conditions of release, the prisoner shall not be released on the
28 sentence expiration date and shall serve the term of community supervision
29 in prison. The department is required to supervise any offender on community
30 supervision until the period of community supervision expires. The
31 department may bring an offender in violation of the offender's terms and
32 conditions before the board of executive clemency.

33 G. The director pursuant to rules adopted by the department shall
34 authorize the release of any prisoner on the prisoner's earned release credit
35 date to serve any consecutive term imposed on the prisoner. The release
36 shall be for the sentence completed only. The prisoner shall remain under
37 the custody and control of the department. The director may authorize the
38 rescission of the release to any consecutive term if the prisoner fails to
39 adhere to the rules of the department.

40 H. If a prisoner absconds from community supervision, any time spent
41 before the prisoner is returned to custody is excluded in calculating the
42 remaining period of community supervision.

43 I. A prisoner shall forfeit five days of the prisoner's earned release
44 credits:

1 1. If the court finds or a disciplinary hearing held after a review
2 by and recommendations from the attorney general's office determines that the
3 prisoner does any of the following:

4 (a) Brings a claim without substantial justification.

5 (b) Unreasonably expands or delays a proceeding.

6 (c) Testifies falsely or otherwise presents false information or
7 material to the court.

8 (d) Submits a claim that is intended solely to harass the party it is
9 filed against.

10 2. For each time the prisoner tests positive for any prohibited drugs
11 during the period of time the prisoner is incarcerated.

12 J. If the prisoner does not have five days of earned release credits,
13 the prisoner shall forfeit the prisoner's existing earned release credits and
14 shall be ineligible from accruing earned release credits until the number of
15 earned release credits the prisoner would have otherwise accrued equals the
16 difference between five days and the number of existing earned release credit
17 days the prisoner forfeits pursuant to this section.

18 Sec. 4. Section 41-1604.09, Arizona Revised Statutes, is amended to
19 read:

20 41-1604.09. Parole eligibility certification; classifications;
21 appeal; recertification; applicability;
22 definition

23 A. The director shall develop and maintain a parole eligibility
24 classification system. Within the system, the director shall establish two
25 classes of parole eligibility, class one and class two, to be given effect
26 as provided for in this section, one class of parole noneligibility for
27 dangerous psychiatric offenders and as many other classes of noneligibility
28 as he deems necessary or desirable. Each person committed to the state
29 department of corrections shall be classified pursuant to the parole
30 eligibility system established by the director.

31 B. The director shall establish rules pursuant to chapter 6 of this
32 title for the classification and certification of prisoners for purposes of
33 parole. ~~Upon commitment to the state department of corrections each person~~
34 ~~shall be initially placed in class two.~~ Reclassification and certification
35 shall be based on factors related to a prisoner's record while in the custody
36 of the department, including work performance, compliance with all rules of
37 the department, progress in any appropriate training or treatment programs
38 and the performance of any assignments of confidence or trust. The director
39 shall also establish rules governing the procedures and performance standards
40 by which prisoners, reclassified to noneligibility classifications, may earn
41 eligibility classification. Prisoners may be reclassified only pursuant to
42 the rules of the department. The director shall distribute a copy of all the
43 rules to each person committed to the department.

1 C. The director shall maintain two classes for parole eligibility,
2 class one and class two. Inclusion of an inmate in class one shall be
3 determined by adherence to the rules of the department and continual
4 willingness to volunteer for or successful participation in a work,
5 educational, treatment or training program established by the department,
6 except that a person sentenced pursuant to a statute which requires that a
7 person serve a mandatory minimum term shall not be placed in class one until
8 one-quarter of the mandatory minimum portion of the term is served and shall
9 not be released until the mandatory minimum portion of the term is
10 served. Inclusion of an inmate in class two shall be determined by adherence
11 to the rules of the department.

12 D. The director shall certify as eligible for parole any prisoner
13 classified within an eligible classification five months immediately prior
14 to the prisoner's earliest parole eligibility. The inmate shall be required
15 to remain in a parole eligible classification from the date of certification
16 until the date of release on parole. If the inmate does not remain in a
17 parole eligible classification until the date of release on parole, the
18 entire parole process shall be rescinded. For the purposes of this
19 subsection, the prisoner's earliest parole eligibility occurs when the
20 prisoner has served one-half of his sentence unless the prisoner is sentenced
21 according to any provisions of law which prohibit the release on any basis
22 until serving not less than two-thirds of the sentence imposed by the court,
23 the sentence imposed by the court or any other mandatory minimum term, in
24 which case the prisoner must have served the sentence required by law.

25 E. Every prisoner shall be entitled to a hearing prior to
26 reclassification of the prisoner to a lower class. The hearing shall be
27 before a person or persons designated by the director to hold the
28 hearings. Reasonable notice and a written statement of the alleged violation
29 of the rules shall be distributed to the prisoner at least five days prior
30 to the hearing. A prisoner may request a review of a decision to reclassify
31 the prisoner by delivering a written request to the director.

32 F. Notwithstanding subsection D, placement of a prisoner in a
33 noneligible parole class except placement in the noneligible parole class for
34 dangerous psychiatric offenders shall result in an increase in the period of
35 time the prisoner must serve before reaching his earliest parole eligibility
36 date. The increase shall equal the number of days occurring after placement
37 in a noneligible parole class and before the prisoner is reclassified to a
38 parole eligible class.

39 G. The classification of each prisoner shall be reviewed by the
40 director not less than once every six months. Any prisoner who was certified
41 as eligible for parole and denied parole and remains eligible for parole
42 pursuant to subsection D shall be recertified by the director not less than
43 one nor more than four months after the hearing at which the prisoner was
44 denied parole, except that the board of executive clemency in denying parole

1 may prescribe that the prisoner shall not be recertified for a period of up
2 to one year after the hearing.

3 H. Immediately after the adoption of the rules required pursuant to
4 this section, the director shall forward a certified copy of the rules to the
5 legislature. The legislature may review and, by concurrent resolution,
6 approve, disapprove or modify the rules, except that they shall be given full
7 force and effect pending legislative review. If no concurrent resolution is
8 passed by the legislature with respect to the rules within one year following
9 receipt of a certified copy of the rules, they shall be deemed to have been
10 approved by the legislature. If the legislature disapproves the rules or a
11 section of them, the director shall immediately discontinue the use of any
12 procedure, action or proceeding authorized or required by the rules or
13 section of the rules.

14 I. This section applies only to persons who commit felony offenses
15 before January 1, 1994.

16 J. PURSUANT TO RULES ADOPTED BY THE DIRECTOR, ON COMMITMENT TO THE
17 DEPARTMENT, EACH PRISONER SHALL BE PLACED IN PAROLE CLASS ONE BEGINNING ON
18 THE PRISONER'S SENTENCE BEGIN DATE.

19 K. For the purposes of this section, "dangerous psychiatric
20 offender" means an inmate who has been placed in a psychiatric unit for
21 psychiatric evaluation and treatment and who has been determined to present
22 a high risk of potential violence.

23 Sec. 5. Laws 2001, chapter 234, section 1 is amended to read:

24 Section 1. County acute care contribution; fiscal years
25 2001-2002 and 2002-2003

26 A. Notwithstanding section 11-292, Arizona Revised Statutes, for
27 fiscal years 2001-2002 and 2002-2003 for the provision of hospitalization and
28 medical care, the counties shall contribute a total of \$66,689,500 based on
29 the following percentages:

30	1. Apache:	0.403%
31	2. Cochise:	3.321%
32	3. Coconino:	1.114%
33	4. Gila:	2.119%
34	5. Graham:	0.804%
35	6. Greenlee:	0.286%
36	7. La Paz:	0.318%
37	8. Maricopa:	57.969%
38	9. Mohave:	1.856%
39	10. Navajo:	0.466%
40	11. Pima:	22.420%
41	12. Pinal:	4.072%
42	13. Santa Cruz:	0.724%
43	14. Yavapai:	2.141%
44	15. Yuma:	1.987%

1 B. IN ADDITION TO THE \$66,689,500 CONTRIBUTED BY THE COUNTIES IN
2 SUBSECTION A OF THIS SECTION, THE SUM OF \$3,502,000 IS ALLOCATED FOR FISCAL
3 YEAR 2001-2002 IN ADDITIONAL COUNTY ACUTE CARE CONTRIBUTION FOR THE PROVISION
4 OF HOSPITALIZATION AND MEDICAL CARE PROVIDED BY LAWS 2001, CHAPTER 344,
5 SECTION 100, SUBSECTION A. IT IS THE INTENT OF THE LEGISLATURE THAT THE
6 COMBINED COUNTY CONTRIBUTION OF \$70,191,500 BE USED FOR THE PROVISION OF
7 HOSPITALIZATION AND MEDICAL CARE SERVICES ADMINISTERED BY THE ARIZONA HEALTH
8 CARE COST CONTAINMENT SYSTEM.

9 ~~B.~~ C. If any county does not provide funding as specified in
10 subsection A of this section, the state treasurer shall subtract the amount
11 owed to the Arizona health care cost containment system and long-term care
12 system fund established pursuant to section 36-2913, Arizona Revised
13 Statutes, by the county from any payments required to be made by the state
14 treasurer to that county pursuant to section 42-5029, subsection D, paragraph
15 2, Arizona Revised Statutes, plus interest on that amount pursuant to section
16 44-1201, Arizona Revised Statutes, retroactive to the first day the funding
17 was due. If the monies the state treasurer withholds are insufficient to
18 meet that county's funding requirements as specified in subsection A of this
19 section, the state treasurer shall withhold from any other monies payable to
20 that county from whatever state funding source is available an amount
21 necessary to fulfill that county's requirement. The state treasurer shall
22 not withhold distributions from the highway user revenue fund pursuant to
23 title 28, chapter 18, article 2, Arizona Revised Statutes.

24 ~~C.~~ D. Payment of an amount equal to one-twelfth of the total amount
25 determined pursuant to subsection A of this section shall be made to the
26 state treasurer on or before the fifth day of each month. On request from
27 the director of the Arizona health care cost containment system
28 administration, the state treasurer shall require that up to three months'
29 payments be made in advance, if necessary.

30 ~~D.~~ E. The state treasurer shall deposit the amounts paid pursuant to
31 subsection ~~C~~ D of this section and amounts withheld pursuant to subsection
32 ~~B~~ C of this section in the Arizona health care cost containment system and
33 long-term care system fund established by section 36-2913, Arizona Revised
34 Statutes.

35 ~~E.~~ F. If payments made pursuant to subsection ~~C~~ D of this section
36 exceed the amount required to meet the costs incurred by the Arizona health
37 care cost containment system for the hospitalization and medical care of
38 those persons defined as eligible pursuant to section 36-2901, paragraph 4,
39 subdivisions (a), (b) and (c), Arizona Revised Statutes, the director of the
40 Arizona health care cost containment system administration may instruct the
41 state treasurer either to reduce remaining payments to be paid pursuant to
42 this section by a specified amount or to provide to the counties specified
43 amounts from the Arizona health care cost containment system and long-term
44 care system fund.

1 Sec. 6. Laws 2001, chapter 344, section 100 is amended to read:

2 Sec. 100. County contribution; hospitalization and medical
3 care; uncompensated care

4 A. Notwithstanding any law to the contrary, in fiscal year 2001-2002,
5 beginning with the second monthly distribution of transaction privilege tax
6 revenues, the state treasurer shall withhold the following amounts from state
7 transaction privilege revenues otherwise distributable, after any amounts
8 withheld for the county long-term care contribution or the county
9 administration contribution pursuant to section 11-292, subsection P, Arizona
10 Revised Statutes, for deposit in the Arizona health care cost containment
11 system fund established by section 36-2913, Arizona Revised Statutes, and
12 ~~allocated to hospitals for uncompensated care~~ FOR THE PROVISION OF
13 HOSPITALIZATION AND MEDICAL CARE:

- 14 1. Apache, \$47,000.
- 15 2. Cochise, \$87,700.
- 16 3. Coconino, \$86,500.
- 17 4. Gila, \$35,500.
- 18 5. Graham, \$25,200.
- 19 6. Greenlee, \$6,500.
- 20 7. La Paz, \$13,400.
- 21 8. Maricopa, \$2,076,400.
- 22 9. Mohave, \$100,900.
- 23 10. Navajo, \$66,100.
- 24 11. Pima, \$601,200.
- 25 12. Pinal, \$117,600.
- 26 13. Santa Cruz, \$27,800.
- 27 14. Yavapai, \$111,100.
- 28 15. Yuma, \$99,100.

29 B. Notwithstanding any law to the contrary, for fiscal year 2002-2003,
30 beginning with the second monthly distribution of transaction privilege tax
31 revenues, the state treasurer shall withhold the following amounts from state
32 transaction privilege revenues otherwise distributable, after any amounts
33 withheld for the county long-term care contribution or the county
34 administration contribution pursuant to section 11-292, subsection P, Arizona
35 Revised Statutes, for deposit in the Arizona health care cost containment
36 system fund established by section 36-2913, Arizona Revised Statutes, and
37 allocated to hospitals for uncompensated care:

- 38 1. Apache, \$87,300.
- 39 2. Cochise, \$162,700.
- 40 3. Coconino, \$160,500.
- 41 4. Gila, \$65,900.
- 42 5. Graham, \$46,800.
- 43 6. Greenlee, \$12,000.
- 44 7. La Paz, \$24,900.

1 8. Maricopa, \$3,853,800.

2 9. Mohave, \$187,400.

3 10. Navajo, \$122,800.

4 11. Pima, \$1,115,900.

5 12. Pinal, \$218,300.

6 13. Santa Cruz, \$51,600.

7 14. Yavapai, \$206,200.

8 15. Yuma, \$183,900.

9 C. If a county does not provide funding as specified in subsection A
10 or B of this section, the state treasurer shall subtract the amount owed to
11 the Arizona health care cost containment system fund by the county from any
12 payments required to be made by the state treasurer to that county pursuant
13 to section 42-5029, subsection D, paragraph 2, Arizona Revised Statutes, plus
14 interest on that amount pursuant to section 44-1201, Arizona Revised
15 Statutes, retroactive to the first day the funding was due. If the monies
16 the state treasurer withholds are insufficient to meet that county's funding
17 requirement as specified in subsection A of this section, the state treasurer
18 shall withhold from any other monies payable to that county from whatever
19 state funding source is available an amount necessary to fulfill that
20 county's requirement. The state treasurer shall not withhold distributions
21 from the highway user revenue fund pursuant to title 28, chapter 18, article
22 2, Arizona Revised Statutes.

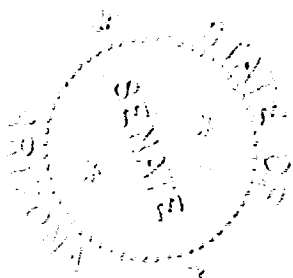
23 D. Payment of an amount equal to one-twelfth of the total monies
24 prescribed pursuant to subsection A or B of this section shall be made to the
25 state treasurer on or before the fifth day of each month. On request from
26 the director of the Arizona health care cost containment system
27 administration, the state treasurer shall require that up to three months'
28 payments be made in advance, if necessary.

29 E. The state treasurer shall deposit the monies paid pursuant to
30 subsection D of this section in the Arizona health care cost containment
31 system fund established by section 36-2913, Arizona Revised Statutes.

32 F. Subject to legislative appropriation, in fiscal years ~~2001-2002~~ and
33 YEAR 2002-2003, the Arizona health care cost containment system
34 administration shall distribute the amounts withheld pursuant to subsection
35 ~~A or~~ B of this section to each private hospital based on the private
36 hospital's relative share of the total amount the administration paid for
37 nonobstetric adult hospital emergency care based on the most current year for
38 which this information is available.

39 Sec. 7. Repeal

40 Laws 2001, chapter 344, section 122 is repealed.



1 Sec. 8. Laws 2001, chapter 236, section 72 is amended to read:
 2 Sec. 72. OSTEOPATHIC EXAMINERS BOARD

	<u>2001-02</u>	<u>2002-03</u>
3 FTE positions	8.0	8.0
4 Lump sum appropriation	\$ 379,800	\$ 380,300
5	\$ 408,800	
6 Health crisis fund repayment	<u>85,000</u>	<u>- 0 -</u>
7 Total appropriation - osteopathic examiners		
8 board	\$ 464,800**	\$ 380,300
9	\$ 493,800**	
10 Fund sources:		
11 Board of osteopathic examiners fund	\$ 464,800	\$ 380,300
12	\$ 493,800	
13 Performance measures:		
14 Number of licensees (new and existing)	1,790	1,815
15 Number of complaints received about licensees	250	250
16 Average calendar days to resolve a complaint	180	180
17 Number of investigations of licensees	200	200
18 Average calendar days to renew a license		
19 (from receipt of application to issuance)	15	15
20 Administration as a per cent of total cost	0.34	0.34
21 Customer satisfaction rating (Scale 1-8)	6.0	6.0

22 Sec. 9. Laws 2001, second special session, chapter 3, section 5, is
 23 amended to read:

24 Sec. 5. Capital outlay appropriations; major capital projects;
 25 department of administration

	<u>2001-02</u>
26 Department of administration:	
27 1. Arizona schools for the deaf	
28 and the blind Phoenix	
29 transportation building	\$ 427,700
30 Fund source:	
31 State general fund	\$ 427,700
32 2. Department of corrections	
33 safety improvements	\$ 1,379,400
34 Fund source:	
35 Corrections fund	\$ 1,379,400
36 Before the expenditure of any monies from the department of corrections	
37 safety improvements appropriations, the Arizona department of administration	
38 shall submit an expenditure plan for review by the joint committee on capital	
39 review.	

1 3. Department of corrections

2 lock replacement \$ 1,000,000

3 Fund source:

4 Corrections fund \$ 1,000,000

5 The department of administration may expend a portion of the amounts
 6 appropriated for lock replacement for an assessment of all locking systems
 7 at Arizona state prisons. Before the expenditure of any monies for actual
 8 lock replacement, the department of administration shall submit the
 9 assessment and an expenditure plan prioritizing lock replacement projects
 10 throughout the prison system to the joint committee on capital review for its
 11 review. After the joint committee on capital review completes its review of
 12 the expenditure plan, the department of administration shall provide monthly
 13 status updates to the joint committee on capital review.

14 Of the amounts appropriated, the department of administration may
 15 allocate up to \$180,000 in personal services and employee related
 16 expenditures for up to three full-time employee positions to oversee and
 17 manage the project until its completion.

18 4. Department of corrections

19 Fort Grant landfill closure \$ 555,300

20 Fund source:

21 Corrections fund \$ 555,300

22 5. Department of juvenile

23 corrections medical unit ~~\$ 785,000~~

24 \$ 185,000

25 Fund source:

26 Corrections fund ~~\$ 785,000~~

27 \$ 185,000

28 6. Department of juvenile corrections

29 HVAC replacements/renovations \$ 50,000

30 Fund source:

31 Corrections fund \$ 50,000

32 7. Privatized lease to own

33 project management \$ 162,400

34 Fund source:

35 Certificates of participation

36 fund \$ 162,400

37 The amounts appropriated to the department of administration are for
 38 three full-time employee positions to manage and oversee the project.

39 8. Privatized lease to own

40 backfill space renovations \$ 213,700

41 Fund sources:

42 Capital outlay stabilization

43 fund \$ 213,700

1	Certificates of participation	
2	fund	- 0 -
3	9. Privatized lease to own backfill	
4	agency relocations	\$ 50,000
5	Fund source:	
6	Certificates of participation	
7	fund	\$ 50,000
8	10. Arizona pioneers' home plumbing	
9	renovations	\$ 325,200
10	Fund source:	
11	Miners' hospital fund	\$ 325,200
12	Total appropriation - department	
13	of administration	\$ 4,948,700
14	Fund sources:	
15	State general fund	\$ 427,700
16	Corrections fund	\$ 3,769,700
17		\$ 3,169,700
18	Capital outlay stabilization	
19	fund	\$ 213,700
20	Certificates of participation	
21	fund	\$ 212,400
22	Miners' hospital fund	\$ 325,200
23	Sec. 10. Laws 2001, second special session, chapter 5, section 7, as	
24	amended by Laws 2002, third special session, chapter 2, section 1, is amended	
25	to read:	
26	Sec. 7. ARIZONA HEALTH CARE COST CONTAINMENT SYSTEM	
27		<u>2001-02</u>
28	<u>Administration</u>	
29	FTE positions	2,478.8
30	Operating lump sum appropriation	\$ 67,725,600
31	DOA data center charges	5,534,100
32	Indian advisory council	213,700
33	DES eligibility	44,529,000
34	DES Title XIX pass-through	301,900
35	DHS Title XIX pass-through	1,681,000
36	Healthcare group administration	1,300,500
37	Office of administrative hearings	190,200
38	CHIP - administration	8,623,900
39	CHIP - services	<u>73,313,300</u>
40	Total expenditure authority -	
41	administration	\$203,413,200
42	Performance measures:	
43	Cost avoidance from fraud and abuse	
44	prevention program	\$ 7,000,000

1	Per cent of enrollees filing a grievance	0.4
2	Per cent of eligibility accuracy as	
3	measured by quality control sample	97
4	Per cent of AHCCCS employee turnover	11.5
5	Administration as a per cent of total cost	4.4
6	Customer satisfaction rating for eligibility	
7	determination clients (Scale 1-8)	6.0

8 Of the \$203,413,200 expenditure authority for administration in fiscal
9 year 2001-2002, \$54,922,100 is appropriated from the state general fund,
10 \$1,300,500 is appropriated from the donations fund and \$81,937,200 is
11 appropriated from the children's health insurance program fund.

12 It is the intent of the legislature that the appropriation for the
13 department of administration data center charges be used only for the payment
14 of charges incurred by the department for the use of computing services
15 provided by the department of administration data center.

16 In implementing any changes to the operating budget in fiscal year
17 2001-2002, the administration shall not take any additional reductions from
18 pass-through allocations provided in special line items.

19 The amounts appropriated for the department of economic security
20 eligibility special line item shall be used for intergovernmental agreements
21 with the department of economic security for the purpose of eligibility
22 determination and other functions. The general fund share may be used for
23 eligibility determination for other programs administered by the division of
24 benefits and medical eligibility based on the results of the Arizona random
25 moment sampling survey.

26 The amounts appropriated for the department of health services title
27 XIX pass-through special line item shall be used for intergovernmental
28 agreements with the department of health services for the purpose of
29 medicaid-related licensure, certification and registration, and other
30 functions.

31 The Arizona health care cost containment system administration shall
32 report by January 1 of each year on the agency's use of the cost savings that
33 results from entering into an agreement with another state as outlined in
34 Laws 1999, chapter 313, section 27. The report shall also include detail on
35 the source of all revenues and expenditure of monies from the
36 intergovernmental service fund.

37 Before the expenditure of any monies for the Arizona health care cost
38 containment system administration customer eligibility system, the Arizona
39 health care cost containment system administration shall submit a report to
40 the joint legislative budget committee for its review. The report shall
41 discuss how the automation improvements are compatible with the no wrong door
42 initiative.

43 The Arizona health care cost containment system shall report by
44 September 30 of each year to the joint legislative budget committee on the

services that receive reimbursement from the federal government under the medicaid in public school initiative. The report shall include information on the type of services, how those services meet the definition of medical necessity, and the total amount of federal dollars that the schools have received under the medicaid in public school initiative.

If federal matching monies are received for the finger imaging enrollment program, the Arizona health care cost containment system shall revert the portion of the state general fund appropriation received equal to the federal dollars received for this program in the year that federal monies are received.

The Arizona health care cost containment system administration is exempt from the rule making requirements of title 41, chapter 6, Arizona Revised Statutes, for the purposes of implementing the finger imaging enrollment program established pursuant to Laws 2000, chapter 378. It is the intent of the legislature that the administration shall hold hearings to give the public an opportunity to comment on the proposed rules. The administration shall hold at least one of these hearings in a county with a population of less than five hundred thousand persons according to the most recent United States decennial census.

Acute care

Capitation	\$1,018,890,700
Fee for service	282,667,100
	279,508,000
Reinsurance	57,909,500
Medicare premiums	33,454,100
Graduate medical education	21,683,200
Disproportionate share payments	59,149,000
Total expenditure authority -	
acute care	\$1,473,753,600
	\$1,470,594,500

Performance measures:

Per cent of two year old children enrolled in AHCCCS who have received age appropriate immunizations	83
Per cent of well child visits in the first 15 months of life (EPSDT)	75
Per cent of children's access to primary care provider	83
Per cent of women receiving annual cervical screening	46
Member satisfaction as measured by percentage of enrollees that choose to change health plans	4.0

1 Of the ~~\$1,473,753,600~~ \$1,470,594,500 expenditure authority for acute
 2 care in fiscal year 2001-2002, ~~\$319,202,800~~ \$314,600,800 is appropriated from
 3 the state general fund.

4 Before making fee-for-service program or rate changes that pertain to
 5 hospital, nursing facility or home and community based services rates or for
 6 any of the other fee-for-service rate categories that have increases that,
 7 in the aggregate, are two per cent above and \$1,500,000 from the state
 8 general fund greater than budgeted medical inflation in fiscal year
 9 2001-2002, the Arizona health care cost containment system administration
 10 shall report its plan to the joint legislative budget committee for review.

11 Before implementation of any changes in capitation rates, the Arizona
 12 health care cost containment system administration shall report its plan to
 13 the joint legislative budget committee for review. This includes any
 14 capitation rates used for the population as defined by section 36-2901.01,
 15 Arizona Revised Statutes, as enacted in proposition 204 in the November 2000
 16 general election.

17 The Arizona health care cost containment system shall provide a report
 18 to the joint legislative budget committee by January 31, 2002 detailing the
 19 graduate medical education distribution by hospital and the methodology used
 20 to determine the distribution.

21 The fiscal year 2001-2002 disproportionate share payment of \$59,149,000
 22 is based on the federal fiscal year 2001-2002 authorized expenditure level
 23 of \$38,435,000. If the final federal expenditure authorization is an amount
 24 different from the estimate, the governor shall direct the Arizona health
 25 care cost containment system administration, subject to the availability of
 26 monies and subject to review of the joint legislative budget committee, to
 27 proportionately adjust authorization amounts among the identified recipients
 28 of the disproportionate share hospital payment. Before the final payment,
 29 the governor shall provide notification to the president of the senate, the
 30 speaker of the house of representatives, the chairmen of the house and senate
 31 appropriations committees and the staff director of the joint legislative
 32 budget committee of the adjusted federal authorized expenditure level and the
 33 proposed distribution plan for these monies.

34 The appropriation for disproportionate share payments for fiscal year
 35 2001-2002 made pursuant to section 36-2903.01, subsection P, Arizona Revised
 36 Statutes, includes \$59,149,000 for qualifying county operated hospitals.

37 Long-term care

38 Program lump sum appropriation \$636,237,900

39 Board of nursing 209,700

40 Total expenditure authority -
 41 long-term care \$636,447,600

1 Performance measures:

2 Per cent of nursing facility residents that	
3 receive influenza immunization	85
4 Per cent of members utilizing home and	
5 community based services (HCBS)	49
6 Per cent of ALTCS applications processed on	
7 time (within 45 days)	90
8 Per cent of financial redeterminations	
9 processed on time (within 12 months)	90

10 Any federal funds that the Arizona health care cost containment system
11 administration passes through to the department of economic security for use
12 in long-term administration care for the developmentally disabled shall not
13 count against the long-term care expenditure authority above.

14 Pursuant to section 11-292, subsection B, Arizona Revised Statutes, the
15 fiscal year 2001-2002 nonfederal portion of the costs of providing long-term
16 care system services is \$219,820,900. The county contribution is
17 \$169,893,300 and the state contribution is \$49,927,600. The state
18 contribution includes \$49,623,400 from the state general fund and \$304,200
19 from the medical services stabilization fund.

20 Before making fee-for-service program or rate changes that pertain to
21 hospital, nursing facility or home and community based services rates or for
22 any of the other fee-for-service rate categories that have increases that,
23 in the aggregate, are two per cent above and \$1,500,000 from the state
24 general fund greater than budgeted medical inflation in fiscal year
25 2001-2002, the Arizona health care cost containment system administration
26 shall report its plan to the joint legislative budget committee for review.

27 Before implementation of capitation rate changes that have a budgetary
28 impact, the Arizona health care cost containment system administration shall
29 report its plan to the joint legislative budget committee for review.

30 The administration shall provide the joint legislative budget committee
31 staff an implementation plan for the provider rate adjustment by September
32 1, 2001.

33 It is the intent of the legislature that the agency distribute one
34 hundred per cent of the increase intended for providers to contracted
35 community treatment providers.

36 It is the intent of the legislature that the provider rate increase be
37 incorporated into contracted rates. Since this increase in the contracted
38 rate would not be competitively procured, the adjustment in this section is
39 exempt from the provisions of Arizona Revised Statutes, title 41, chapter 23,
40 related to procurement.

1 It is the intent of the legislature that the adjustment be directed
 2 toward raising rates paid to providers receiving less than other providers
 3 providing similar levels of service for the same service types, if
 4 applicable.

5 It is the intent of the legislature that independent providers are
 6 eligible for these increases.

7 It is the intent of the legislature that community treatment providers
 8 allocate the adjustments for salary increases to direct care staff who
 9 provide direct care services for more than eighty per cent of their time
 10 weekly and who earn less than thirteen dollars per hour.

11 It is the intent of the legislature that these funds be spent for
 12 ongoing pay adjustments and salary-related employee related expenses such as
 13 workers' compensation, unemployment insurance, and FICA.

14 Each contract provider receiving a rate adjustment shall report to the
 15 agency by June 1, 2002 on how the adjustment was used. The Arizona health
 16 care cost containment system shall summarize this information and report it
 17 to the joint legislative budget committee by July 1, 2002.

18 Total expenditure authority ~~\$ 2,313,614,400~~
 19 \$ 2,310,455,300

20 Less tobacco tax medically
 21 needy account withdrawals (45,947,400)

22 Less medical services
 23 stabilization
 24 fund withdrawals (37,339,800)

25 Less collections, other
 26 receipts and balances
 27 forward ~~(1,723,341,200)~~
 28 (1,724,784,100)

29 Total appropriation - Arizona health
 30 care cost containment system ~~\$ 506,986,000~~
 31 \$ 502,384,000

32 Fund sources:
 33 State general fund ~~\$ 423,748,300~~
 34 \$ 419,146,300
 35 Other appropriated funds 83,237,700

36 Performance measures:
 37 Per cent of people under age 65 that are
 38 uninsured 24
 39 Per cent of children (under 18 years)
 40 that are uninsured 22
 41 AHCCCS enrollment 583,364
 42 Children's health insurance program
 43 (CHIP) enrollment 45,627
 44 Premium sharing enrollment 7,000

Sec. 11. Laws 2001, second special session, chapter 5, section 18, as amended by Laws 2002, third special session, chapter 2, section 3, is amended to read:

Sec. 18. DEPARTMENT OF CORRECTIONS

2001-02

Administration

FTE positions	304.0
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Lump sum appropriation	\$ 32,427,700
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Community corrections

FTE positions	157.0
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Lump sum appropriation	\$ 8,870,200
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Prison operations and services

security

FTE positions	7,374.4
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Lump sum appropriation	\$257,843,600
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Fund sources:

State general fund	\$257,573,600
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State charitable, penal and

reformatory institutions

land fund	270,000
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Inmate education, treatment

and work programs

FTE positions	565.5
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Lump sum appropriation \$ 39,723,700

Fund sources:

State general fund	\$ 37,197,300
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Alcohol abuse treatment fund	449,300
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State education fund for

correctional education	2,077,100
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Private prisons

FTE positions	10.0
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Lump sum appropriation	\$ 20,079,600
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Inspections and investigations

FTE positions	132.0
---------------	-------

Lump sum appropriation	\$ 5,869,600
------------------------	--------------

Health care

FTE positions	847.0
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Lump sum appropriation ~~\$73,889,700~~

\$ 77,889,700

Fund sources:

State general fund	\$ 69,389,700
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Corrections fund	4,500,000
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17.	8,500,000
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1	<u>Prison management and support</u>	
2	FTE positions	1,237.5
3	Lump sum appropriation	\$132,387,800
4	Fund sources:	
5	State general fund	\$129,929,300
6	Corrections fund	1,083,500
7	Penitentiary land fund	<u>1,375,000</u>
8	Total - prison operations and services	\$529,794,000
9		\$533,794,000
10	Fund sources:	
11	State general fund	\$520,039,100
12	Corrections fund	5,583,500
13		9,583,500
14	Penitentiary land fund	1,375,000
15	State charitable, penal and	
16	reformatory institutions	
17	land fund	270,000
18	State education fund for	
19	correctional education	2,077,100
20	Alcohol abuse treatment fund	449,300
21	Agencywide lump sum reduction	\$(17,602,600)
22		\$(17,002,600)
23	Total appropriation - department of	
24	corrections	\$ 553,489,300
25		\$ 558,089,300
26	Fund sources:	
27	State general fund	\$ 543,734,400
28		\$ 544,334,400
29	Corrections fund	5,583,500
30		9,583,500
31	Penitentiary land fund	1,375,000
32	State charitable, penal and	
33	reformatory institutions	
34	land fund	270,000
35	State education fund for	
36	correctional education	2,077,100
37	Alcohol abuse treatment fund	449,300
38	Performance measures:	
39	Average yearly cost per inmate	\$20,814
40	Average daily population - secure facilities	27,642
41	Fiscal year-end bed surplus/(shortage)	(1,941)
42	Escapes from secure facilities	0
43	Number of inmates receiving GED	2,550

1	Number of inmate random positive urinalysis	
2	results	1,025
3	Per cent of agency staff turnover	11.6
4	Administration as a per cent of total cost	6.6
5	Customer satisfaction rating for employee	
6	satisfaction (Scale 1-8)	6.0

7 Twenty-five per cent of land earnings and interest from the state
8 charitable, penal and reformatory institutions land fund shall be distributed
9 to the state department of corrections in compliance with section 25 of the
10 enabling act and the constitution to be used for the support of state penal
11 institutions.

12 One hundred per cent of land earnings and interest from the
13 penitentiary land fund shall be distributed to the department of corrections
14 in compliance with section 25 of the enabling act and the constitution to be
15 used for the support of state penal institutions.

16 Before the expenditure of any state education fund for correctional
17 education receipts in excess of \$2,077,100, the department of corrections
18 shall report the intended use of the monies to the director of the joint
19 legislative budget committee.

20 Before altering its bed capacity by closing state-operated prison beds,
21 canceling or not renewing contracts for privately-operated prison beds, the
22 department of corrections shall submit a bed plan detailing the proposed bed
23 closures for review by the joint legislative budget committee.

24 Sec. 12. Laws 2001, second special session, chapter 5, section 21, as
25 amended by Laws 2002, third special session, chapter 2, section 5, is amended
26 to read:

27 Sec. 21. DEPARTMENT OF ECONOMIC SECURITY

28		<u>2001-02</u>
29	<u>Administration</u>	
30	FTE positions	305.9
31	Operating lump sum appropriation	\$ 38,777,100
32	Finger imaging	857,200
33	Lease purchase equipment	2,500,200
34	Public assistance collections	382,500
35	Attorney general legal services	568,700
36	Lump sum reduction	<u>(1,387,200)</u>
37	Total - administration	\$ 41,698,500
38	Fund sources:	
39	State general fund	\$ 31,158,500
40	Public assistance collections fund	295,400
41	Federal temporary assistance for	
42	needy families block grant	6,683,900

1	Federal child care and development	
2	fund block grant	1,040,200
3	Special administration fund	520,500
4	Statewide cost allocation plan	
5	fund	2,000,000

6	Performance measures:	
7	Customer satisfaction ratings based on	
8	annual survey (Scale 1-5)	
9	Office of personnel management	3.0
10	Office of management development	3.0
11	Office of appellate services administration	4.0
12	Office of technology services	3.0
13	Number of districts where strategic planning	
14	model was implemented for early intervention	
15	program	3.0
16	Per cent information technology service help	
17	calls requests resolved in 1 day	90
18	Cost per dollar to recover overpayments	.10
19	Per cent of agency staff turnover	15.6
20	Administration as a per cent of total cost	5.1

21 In accordance with section 35-142.01, Arizona Revised Statutes, the
 22 department of economic security shall remit to the department of
 23 administration any monies received as reimbursement from the federal
 24 government or any other source for the operation of the department of
 25 economic security west building and any other building lease-purchased by the
 26 State of Arizona in which the department of economic security occupies space.
 27 The department of administration shall deposit these monies in the state
 28 general fund.

29 In accordance with section 38-654, Arizona Revised Statutes, the
 30 department of economic security shall transfer to the department of
 31 administration for deposit in the special employee health insurance trust
 32 fund any unexpended state general fund monies at the end of each fiscal year
 33 appropriated for employer health insurance contributions.

34	<u>Developmental disabilities</u>	
35	FTE positions	373.0
36	Operating lump sum appropriation	\$ 4,814,000
37	Case management	2,996,300
38	Home and community based services	28,506,200
39	Institutional services	294,900
40	Arizona training program at	
41	Coolidge	5,462,700
42	State-funded long-term care	
43	services	<u>17,950,600</u>
44	Total - developmental disabilities	\$ 60,024,700

Fund sources:

State general fund	\$ 44,278,400
Long-term care system fund	15,746,300

Performance measures:

Per cent of consumer satisfaction with case management services	90
Per cent of consumers (people who live at home) who are satisfied with services and support (biennial survey)	75
Average number of clients served monthly, including state-only and long-term care	20,049
Cost per member year - Arizona training program - Coolidge	\$ 93,700
Average number of Arizona training program - Coolidge clients	175

It is the intent of the legislature that any available surplus monies for developmental disability programs be applied toward the waiting list, unless there are insufficient monies to annualize these costs in the subsequent year. The children's waiting list shall receive first priority. The amount appropriated for developmental disabilities shall be used to provide for services for non-title XIX eligible clients. The amount shall not be used for other purposes, unless a transfer of monies is reviewed by the joint legislative budget committee.

It is the intent of the legislature that monies appropriated for services relating to adult day services in the division of developmental disabilities budget be transferred to the division of employment and rehabilitation services, rehabilitation services administration to accommodate individuals who are determined by the division of developmental disabilities to need vocational independence in a supported work environment. These monies may be transferred back to the division of developmental disabilities if a supported work environment is no longer the most appropriate day placement for a client.

The department of economic security shall report all new placements into a state-owned ICF-MR or the Arizona training program at Coolidge campus in fiscal year 2001-2002 to the president of the senate, the speaker of the house of representatives, the chairmen of the senate and house of representatives appropriations committees and the director of the joint legislative budget committee, and the reason why this placement, rather than a placement into a privately run facility for the developmentally disabled, was deemed as the most appropriate placement. The department should also report if no new placements were made. This report shall be made available by July 15, 2002.

1	<u>Long-term care system fund</u>		
2	FTE positions		1,278.4
3	Operating lump sum appropriation	\$	18,228,700
4	Case management		18,891,200
5	Home and community based services		273,801,500
6	Institutional services		11,335,800
7	Medical services		54,735,700
8	Arizona training program at		
9	Coolidge		10,934,000
10	Less title XIX and other funds		<u>(252,747,300)</u>
11	Total - long-term care system fund	\$	135,179,600

12	Performance measures:		
13	Per cent of consumer satisfaction with		
14	case management services		90
15	Per cent of consumers (people who live at		
16	home) who are satisfied with services		
17	and support (biennial survey)		75
18	Average number of clients served monthly,		
19	including state-only and long-term care		20,049
20	Cost per member year at Arizona training		
21	program - Coolidge	\$	93,700
22	Average number of Arizona training program -		
23	Coolidge clients		175

24 All monies in the long-term care system fund unexpended and
 25 unencumbered at the end of fiscal year 2001-2002 revert to the state general
 26 fund, subject to approval by the Arizona health care cost containment system.

27 Monies for the long-term care program are appropriated for the
 28 capitation rates effective on October 1, 2000. No monies may be expended for
 29 a change in these capitation rates unless an expenditure plan is reviewed by
 30 the joint legislative budget committee.

31 Before the expenditure of any monies for improvements to the division
 32 of developmental disabilities automation system, the department of economic
 33 security shall submit a report to the joint legislative budget committee for
 34 its review. The report shall discuss how the automation improvements will
 35 ensure coordination between the division of developmental disabilities and
 36 other eligibility-based programs in the department of economic security.

37	<u>Benefits and medical eligibility</u>		
38	FTE positions		747.3
39	Operating lump sum appropriation	\$	34,061,300
40	Temporary assistance for needy		
41	families cash benefits		132,863,100
42	FLSA supplement		1,267,200

1	Tribal welfare reform	1,000,000
2	General assistance	4,260,800
3		5,509,000
4	Institutional support payments	266,400
5	Tuberculosis control	32,200
6	Outreach and naturalization	85,000
7	Food stamp outreach and education	50,000
8	Tribal pass-through funding	<u>4,212,800</u>
9	Total - benefits and medical	
10	eligibility	\$178,098,800
11		\$179,347,000
12	Fund sources:	
13	State general fund	\$ 84,513,900
14		\$ 85,762,100
15	Federal temporary assistance for	
16	needy families block grant	93,584,900
17	Performance measures:	
18	Per cent of cash benefits issued timely	98.6
19	Per cent of total cash benefits payments	
20	issued accurately	95.0
21	Average cash benefits caseload	93,527
22	Per cent of total food stamps payments	
23	issued accurately	95.0
24	Average monthly number of food stamp	
25	recipients	297,400
26	Per cent of clients satisfied with family	
27	assistance administration	87.7

28 The operating lump sum appropriation may be expended on Arizona health
 29 care cost containment system eligibility determinations based on the results
 30 of the Arizona random moment sampling survey.

31 Notwithstanding section 35-173, subsection C, Arizona Revised Statutes,
 32 any transfer to or from the \$132,863,100 appropriated for temporary
 33 assistance for needy families cash benefits in fiscal year 2001-2002 requires
 34 approval of the joint legislative budget committee.

35 The \$1,000,000 appropriated for tribal welfare reform in fiscal year
 36 2001-2002 shall be distributed to Native American tribes in this state to
 37 enhance welfare reform efforts on behalf of tribal citizens. The \$1,000,000
 38 appropriation shall be distributed by the department of economic security on
 39 a proportional basis based on the population residing on the reservation of
 40 each tribe in this state.

41 Of the amount appropriated for temporary assistance for needy families
 42 cash benefits, \$4,200,000 reflects appropriation authority only. The
 43 department shall notify the joint legislative budget committee and the

governor's office of strategic planning and budgeting staff before the use of any of the \$4,200,000 appropriation authority.

The department of economic security shall provide data on the Arizona works program to the joint legislative budget committee on a bimonthly basis to accompany the report required by section 46-344, Arizona Revised Statutes. The department of economic security shall also provide data related to the performance contract with the Arizona works vendor to the vendor and the joint legislative budget committee no later than seventy days after the end of each fiscal quarter.

The department of economic security shall provide the Arizona works agency procurement board a level of support equivalent to that received in fiscal year 2000-2001.

Child support enforcement

FTE positions	732.2
Operating lump sum appropriation	\$ 30,476,400
Genetic testing	723,600
Central payment processing	3,088,600
County participation	10,066,300
Attorney general legal services	5,108,900
Lump sum reduction	(98,000)
Less federal funds	<u>(33,453,600)</u>
Total - child support enforcement	\$ 15,912,200
Fund sources:	
State general fund	\$ 4,726,300
Child support enforcement administration fund	11,185,900
Performance measures:	
Number of IV-D cases	228,300
Total IV-D collections	\$258,000,000
Per cent of IV-D caseload with a IV-D collection	44.4
Ratio of current IV-D support collected and distributed to current IV-D support due	47.2
Per cent of IV-D court ordered cases with a collection during the year	69.4
Per cent of IV-D children in the paternity function for whom paternity was established during the year	20.2
Per cent of cases in the establishment function for which orders were established during the year	29.5

All state share of retained earnings and federal incentives above \$10,377,700 in fiscal year 2001-2002 received by the division of child

support enforcement are appropriated for operating expenditures. New full-time equivalent positions may be authorized with the increased funding. The division of child support enforcement shall report the intended use of the monies to the speaker of the house of representatives, the president of the senate, the chairmen of the senate and house appropriations committees and the directors of the joint legislative budget committee and the governor's office of strategic planning and budgeting.

Aging and community services

FTE positions	95.1
Operating lump sum appropriation	\$ 5,476,500
Community and emergency services	6,979,500
Coordinated hunger program	1,786,600
Information and referral	115,400
Coordinated homeless program	2,738,600
Adult services	11,496,300
Domestic violence prevention	8,823,800
Long-term care ombudsman	359,500
Total - aging and community services	\$ 37,776,200
Fund sources:	
State general fund	\$ 22,648,000
Federal temporary assistance for needy families block grant	13,428,200
Domestic violence shelter fund	1,700,000
Performance measures:	
Average per cent of survey respondents indicating provision of services avoided premature institutionalization	81
Adult protective services investigation per cent rate	81
Per cent of participants in older workers program transitioned from subsidized to unsubsidized positions	47
Per cent of eligibility determination made within 48 hours for refugee medical assistance program	98
Per cent of clients surveyed who were accurately referred by the information and referral program	90

It is the intent of the legislature that the \$115,400 appropriated in fiscal year 2001-2002 for information and referral services shall be used to fund services in each city of this state with a population of more than two hundred fifty thousand persons according to the most recent United States decennial or special census.

1 It is the intent of the legislature that a state general fund amount
 2 of \$250,000 in adult services be matched with \$250,000 from the federal
 3 social services block grant for nonmedical home and community based services.

4 All domestic violence shelter fund monies above \$1,700,000 received by
 5 the department of economic security in fiscal year 2001-2002 are appropriated
 6 for the domestic violence prevention special line item. The department of
 7 economic security shall report the intended use of the monies above
 8 \$1,700,000 in fiscal year 2001-2002 to the joint legislative budget
 9 committee.

10 Children, youth and families

11	FTE positions	1,188.4
12	Operating lump sum appropriation	\$ 43,534,000
13	Children services	41,186,500
14	Intensive family services	3,035,600
15	High risk infant services	300,300
16	Adoption services	20,434,800
17		21,579,200
18	Homeless youth intervention	400,000
19	Permanent guardianship subsidy	983,300
20	Temporary assistance for needy	
21	families deposit to the joint	
22	substance abuse treatment fund	333,300
23	Child abuse prevention	812,000
24	Family builders program	6,197,000
25	Comprehensive medical and dental	
26	program	2,779,900
27	Attorney general legal services	4,254,100
28	Child protective services appeals	587,000
29	Temporary assistance for needy	
30	families deposit to social	
31	services block grant	32,066,500
32	Child protective services	
33	expedited substance abuse	
34	treatment fund deposit	224,500
35	IV-E cost allocation contingency	<u>8,224,200</u>
36	Total - children, youth and families	\$165,353,000
37		\$166,497,400
38	Fund sources:	
39	State general fund	\$ 98,027,800
40		\$ 99,172,200
41	Child abuse prevention fund	1,062,000

1	Children and family services	
2	training program fund	209,600
3	Federal temporary assistance for	
4	needy families block grant	66,053,600
5	The amended appropriations for the line items entitled "total-children,	
6	youth and families" and "federal temporary assistance for needy families	
7	block grant" are shown as reductions resulting from the governor's line-item	
8	vetoes in the forty-fifth legislature, second special session.	
9	Performance measures:	
10	Per cent of children in out-of-home care	
11	who exit the child welfare system who	
12	achieve permanent placement through	
13	reunification, adoption or legal	
14	guardianship	36
15	Per cent of children in out-of-home care	
16	who have not returned to their families	
17	or been placed in another type of	
18	permanent placement for more than 24	
19	consecutive months since they were	
20	removed from their homes	30
21	Number of children with finalized adoption	1,110
22	Per cent of CPS reports responded to by CPS	
23	staff	74
24	Per cent of CPS reports responded to by	
25	family builders	26
26	Substantiated reports of child maltreatment	4,589
27	Per cent of newly hired CPS specialists	
28	completing training within 7 months	
29	of hire	93
30	Per cent of CPS original dependencies	
31	cases where court denied or dismissed	3.0
32	Per cent of office of administrative	
33	hearings where CPS case findings	
34	are affirmed	86
35	Per cent of CPS complaints reviewed by	
36	the office of the ombudsman-citizens	
37	aide where allegations are reported	
38	as valid by the ombudsman	14
39	Per cent of calls to the family advocate	
40	that relate to CPS complaints	4.0
41	Per cent of CPS cases where the family	
42	advocate is involved and is successful	
43	in facilitating a solution	85

1 Per cent of CPS cases where most or all of the
 2 foster care review board recommendations
 3 are agreed on before court action as
 4 reported by the board 85
 5 Average per cent of time spent on
 6 administrative paperwork as reported by
 7 CPS workers in an annual survey
 8 District 1 Baseline
 9 District 2 Baseline
 10 District 3 Baseline
 11 District 4 Baseline
 12 District 5 Baseline
 13 District 6 Baseline
 14 Average per cent rate at which CPS
 15 reports are substantiated 20.1
 16 Of the \$32,066,500 appropriated from the federal temporary assistance
 17 for needy families block grant to the social services block grant for deposit
 18 into the temporary assistance for needy families deposit to social services
 19 block grant special line item, \$25,595,500 is allocated for use to the
 20 children services program in fiscal year 2001-2002. The balance of
 21 \$6,471,000 is allocated for use to the children services program in fiscal
 22 year 2002-2003 and is exempt from the provisions of section 35-190, Arizona
 23 Revised Statutes, relating to lapsing of appropriations, until June 30, 2003.
 24 The \$6,471,000 may be expended during fiscal year 2001-2002 on review of the
 25 joint legislative budget committee. The department of economic security
 26 shall provide the joint legislative budget committee staff with bimonthly
 27 reports beginning August 1, 2001 of this and all other appropriated and
 28 nonappropriated expenditures for the children services program. Each
 29 bimonthly report shall compare for each month in the current fiscal year
 30 projected funding needs by funding source to client caseload levels and
 31 approved funding in the current fiscal year.
 32 Monies appropriated from the federal temporary assistance for needy
 33 families block grant and deposited into the joint substance abuse treatment
 34 fund pursuant to section 8-881, Arizona Revised Statutes, shall be
 35 administered jointly by the department of economic security and the
 36 department of health services. The program development costs shall be
 37 limited to seven per cent and shall include training opportunities for
 38 community collaboratives. The program evaluation costs shall be limited to
 39 twelve per cent and shall include technical assistance to communities for
 40 developing and providing substance abuse prevention and treatment programs.
 41 The program evaluation costs shall also include expenditures for conducting
 42 meetings to ensure collaboration, coordination and integration of services
 43 and funding sources between public and private agencies, programs, service
 44 providers, advocates and consumers to meet prevention, treatment and other

1 service needs. The amounts allocated for program development and program
 2 evaluation for the first three years of the program may be compared to total
 3 costs over those three years for purposes of meeting the cost limits.

4 The department of economic security shall provide training to any new
 5 child protective services full-time equivalent positions before assigning to
 6 any of these employees any client caseload duties. The department shall also
 7 implement statewide by October 1, 2001 the family group decision making
 8 program authorized by Laws 2000, chapter 369.

9 It is the intent of the legislature that the department of economic
 10 security shall use the funding in the division of children, youth and
 11 families, including the operating lump sum appropriation and the family
 12 builders program appropriation, to achieve a one hundred per cent response
 13 rate.

14 Employment and rehabilitation services

15	FTE positions	471.5
16	Operating lump sum appropriation	\$ 23,506,100
17	Job search stipends	30,000
18	Vocational rehabilitation services	3,913,400
19	Independent living rehabilitation	
20	services	2,203,500
21	Developmental disabilities	
22	employment support	6,593,600
23	Summer youth program	1,000,000
24	Summer youth employment and training	1,000,000
25	Day care subsidy	111,827,500
26	Transitional child care	27,887,400
27	JOBS	25,701,700
28	Work-related transportation	3,302,200
29	Workforce investment act programs	<u>46,070,600</u>
30	Total - employment and rehabilitation	
31	services	\$253,036,000
32	Fund sources:	
33	State general fund	\$ 39,849,400
34	Federal temporary assistance for	
35	needy families block grant	76,395,600
36	Federal child care and development	
37	fund block grant	79,496,900
38	Special administration fund	3,585,000
39	Spinal and head injuries trust fund	2,256,100
40	Workforce investment act grant	47,875,000
41	Federal reed act grant	3,578,000

Performance measures:

Number of TANF recipients who obtained employment	12,264
Average cost per JOBS participant in all work activities	\$771
Total average children in all child care programs per month	41,907
Per cent of customer satisfaction with child care	91.0
Vocational rehabilitation individuals successfully rehabilitated	2,197

It is the intent of the legislature that the \$25,701,700 appropriated for JOBS in fiscal year 2001-2002 may be used to support nonpermanent and seasonal positions to fulfill federal program requirements when contracts for services cannot be established with outside parties. The use of such positions shall be reported to the director of the joint legislative budget committee.

All federal workforce investment act funds that are received by the state in excess of \$47,875,000 in fiscal year 2001-2002 are appropriated to the workforce investment act programs special line item. Excess monies may not be spent until a proposed expenditure plan for the excess monies has been reviewed by the joint legislative budget committee.

Of the \$111,827,500 appropriated for day care subsidy in fiscal year 2001-2002, \$84,839,200 is for a program in which the upper income limit is one hundred sixty-five per cent of the federal poverty level. This provision may not be construed to impose a duty on an officer, agent or employee of the state to discharge a responsibility or to create any right in a person or group if the discharge or right would require an expenditure of state monies in excess of the \$84,839,200 appropriation.

All spinal and head injuries trust fund receipts received by the department of economic security in excess of \$2,256,100 in fiscal year 2001-2002 are appropriated to the independent living rehabilitation services special line item. Before the expenditure of any spinal and head injuries trust fund receipts in excess of \$2,256,100 in fiscal year 2001-2002, the department of economic security shall submit the intended use of the monies for review by the joint legislative budget committee.

It is the intent of the legislature that the department shall use \$4,500,000 of the monies appropriated for the JOBS special line item for contracts with education and training entities. These contracts shall focus on assisting JOBS clients in obtaining jobs paying, on average, ten dollars per hour or more. The department shall report to the joint legislative budget committee by October 15, 2002 on these efforts. The report shall include, but not be limited to, expenditure details and placement data.

1 Of the monies appropriated for the JOBS special line item, the
 2 department may use up to \$5,500,000 to provide job training, education,
 3 supportive services, and other services that will promote job retention and
 4 career advancement of former temporary assistance for needy families
 5 recipients.

6	Agencywide lump sum reduction	<u>\$(1,193,600)</u>
7	Total appropriation - department of	
8	economic security	\$885,885,400
9		\$888,278,000

10 The amended appropriation for the line item entitled "total
 11 appropriation - department of economic security" reflects both a federal
 12 temporary assistance for needy families block grant reduction of \$2,675,000
 13 resulting from the governor's line-item vetoes in the forty-fifth
 14 legislature, second special session and a state general fund reduction of
 15 ~~\$4,149,400~~ \$1,756,800 and a long-term care system fund increase of \$1,254,700
 16 for the purposes of this act.

17 Fund sources:

18	State general fund	\$459,446,600
19		\$461,839,200
20	Federal temporary assistance for	
21	needy families block grant	255,887,900
22	Federal child care and development	
23	fund block grant	80,537,100
24	Special administration fund	4,105,500
25	Public assistance collections fund	295,400
26	Long-term care system fund	15,746,300
27	Child support enforcement	
28	administration fund	11,185,900
29	Domestic violence shelter fund	1,700,000
30	Child abuse prevention fund	1,062,000
31	Children and family services	
32	training program fund	209,600
33	Spinal and head injuries trust fund	2,256,100
34	Workforce investment act grant	47,875,000
35	Federal reed act grant	3,578,000
36	Statewide cost allocation plan fund	2,000,000

37 The amended appropriation for the line item entitled "federal temporary
 38 assistance for needy families block grant" is shown as a reduction resulting
 39 from the governor's line-item vetoes in the forty-fifth legislature, second
 40 special session.

Performance measures:

CPS and family builders per cent

response rate 100

Agencywide customer satisfaction rating

(Scale 1-5) 3.0

Employee satisfaction rating (Scale 1-5) 3.7

The above appropriation is in addition to funds granted to the state by the federal government for the same purposes but shall be deemed to include the sums deposited in the state treasury to the credit of the department of economic security, pursuant to section 42-5029, Arizona Revised Statutes.

A monthly report comparing total expenditures for the month and year-to-date as compared to prior year totals shall be forwarded to the president of the senate, the speaker of the house of representatives, the chairmen of the senate and house appropriations committees and the director of the joint legislative budget committee by the twenty-fifth of the following month. The report shall include an estimate of (1) potential shortfalls in entitlement programs, (2) potential federal and other funds, such as the statewide assessment for indirect costs, and any projected surplus in state supported programs that may be available to offset these shortfalls, and a plan, if necessary, for eliminating any shortfall without a supplemental appropriation, (3) shortfalls resulting from new leases or renegotiations of current leases and associated costs, and (4) total expenditure authority of the child support enforcement program for the month and year-to-date as compared to prior year totals.

THE DEPARTMENT SHALL DEPOSIT \$2,392,600 OF PRIOR YEAR HEALTH AND DENTAL REIMBURSEMENTS INTO THE STATE GENERAL FUND BY MAY 15, 2002.

The department of economic security shall report the receipt and intended use of all current and prior year reversions from nonappropriated sources to the joint legislative budget committee.

Sec. 13. Laws 2002, chapter 6, section 1, is amended to read:

Section 1. Appropriation for relief of claimants; basis of claims

A. A payment of the sums appropriated by this section is in full satisfaction of the claims described in this section.

B. The sum of \$511.45 is transferred from the technology and telecommunications fund to the state general fund and appropriated from the state general fund to the department of administration for payment of a claim made against the department of administration by the following claimant and in the following amount:

<u>Name</u>	<u>Claim No.</u>	<u>Dated</u>	<u>Amount</u>
Qwest	2ADARB01	FY00	\$ 511.45
			\$ 511.45

C. The sum of \$845.49 is appropriated from the state general fund to the department of administration for payment of a claim made against the department of administration by the following claimant and in the following amount:

<u>Name</u>	<u>Claim No.</u>	<u>Dated</u>	<u>Amount</u>
Clark Security	2ADARB02	FY00	\$ 845.49
			\$ 845.49

D. The sum of \$5,526.66 is appropriated from the state general fund to the department of administration for payment of claims made against the department of juvenile corrections by the following claimants and in the following amounts:

<u>Name</u>	<u>Claim No.</u>	<u>Dated</u>	<u>Amount</u>
FMS Productions	2DJARB01	FY00	\$ 995.00
ADA Fleet Management	2DJARB02	FY00	\$ 402.27
Boise Cascade	2DJARB03	FY00	\$ 600.38
Inacom	2DJARB04	FY99	\$ 1,724.84
Phoenix Rehabilitation Center	2DJARB05	FY99	\$ 300.00
Maricopa Health System	2DJARB06	FY99	\$ 387.00
L.P. Kareus DO	2DJARB07	FY99	\$ 475.00
Phoenix Orthopedic Consultants	2DJARB08	FY99	\$ 205.47
MBI Industrial Medicine	2DJARB09	FY98	\$ 312.50
MBI Industrial Medicine	2DJARB10	FY99	\$ 124.20
			\$ 5,526.66

E. The sum of \$9,643.08 is appropriated from the state general fund to the department of administration for payment of claims made against the department of health services by the following claimants and in the following amounts:

<u>Name</u>	<u>Claim No.</u>	<u>Dated</u>	<u>Amount</u>
Navajo County Health Department	2HSARB01	FY00	\$ 8,090.80
Maricopa Medical Center	2HSARB02	FY00	\$ 803.70
Medical Professional Associates	2HSARB03	FY00	\$ 3.80
Medical Professional Associates	2HSARB04	FY00	\$ 558.52
Medical Professional Associates	2HSARB05	FY99	\$ 186.26
			\$ 9,643.08

F. The sum of \$1,816.24 is transferred from the newborn screening program fund to the state general fund and appropriated from the state general fund to the department of administration for payment of a claim made against the department of health services by the following claimant and in the following amount:

<u>Name</u>	<u>Claim No.</u>	<u>Dated</u>	<u>Amount</u>
St. Joseph's Hospital	2HSARB06	FY00	\$ 1,816.24
			\$ 1,816.24

1 G. The sum of \$4,900.00 is appropriated from the state general fund
 2 to the department of administration for payment of a claim made against the
 3 supreme court by the following claimant and in the following amount:

4 <u>Name</u>	<u>Claim No.</u>	<u>Dated</u>	<u>Amount</u>
5 Maricopa County	2SPARB01	FY00	\$ 4,900.00
6			\$ 4,900.00

7 H. The sum of \$150,835.45 is appropriated from the state general fund
 8 to the department of administration for payment of claims made against the
 9 department of corrections by the following claimants and in the following
 10 amounts:

11 <u>Name</u>	<u>Claim No.</u>	<u>Dated</u>	<u>Amount</u>
12 Boise Cascade	2DCARB01	FY00	\$ 3,887.15
13 Correctional Medical Systems			
14 SERVICES CORPORATION	2DCARB02	FY00	\$ 96,609.78
15 Maricopa Integrated Health System	2DCARB03	FY00	\$ 4,815.04
16 MedPro	2DCARB04	FY00	\$ 1,309.12
17 Navajo County Governmental Cntr.	2DCARB05	FY00	\$ 2,238.82
18 Northern Arizona Radiology	2DCARB06	FY00	\$ 486.00
19 Pinal County Clerk of Superior Ct.	2DCARB07	FY00	\$ 951.15
20 Ramada Inn	2DCARB08	FY00	\$ 187.00
21 Southside Animal Hospital	2DCARB09	FY00	\$ 544.17
22 Strategic Medical Services	2DCARB10	FY00	\$ 3,404.98
23 AT&T	2DCARB11	FY99	\$ 791.32
24 Affiliated Oral & MF Surgeons	2DCARB12	FY99	\$ 461.00
25 Correctional Medical Systems			
26 SERVICES CORPORATION	2DCARB13	FY99	\$ 408.89
27 Maricopa Integrated Health System	2DCARB14	FY99	\$ 16,550.65
28 Maryvale Emergency Physicians	2DCARB15	FY99	\$ 671.45
29 MedPro	2DCARB16	FY99	\$ 511.03
30 Northern Arizona Radiology	2DCARB17	FY99	\$ 709.00
31 Qwest	2DCARB18	FY99	\$ 141.23
32 Ramada Inn	2DCARB19	FY99	\$ 569.72
33 Rural Metro Corporation	2DCARB20	FY99	\$ 2,069.27
34 Southside Animal Hospital	2DCARB21	FY99	\$ 477.42
35 St. Mary's Hospital	2DCARB22	FY99	\$ 6,115.93
36 Strategic Medical Services	2DCARB23	FY99	\$ 2,872.17
37 Williams Communications	2DCARB24	FY99	\$ 617.32
38 Compuware Corporation	2DCARB25	FY99	\$ 863.75
39 AT&T	2DCARB26	FY98	\$ 10.79
40 Strategic Medical Services	2DCARB27	FY98	\$ 2,000.00
41 Qwest	2DCARB28	FY98	\$ 561.30
42			\$150,835.45

1 I. The sum of \$10,227.06 is transferred from the telecommunications
 2 fund for the deaf to the state general fund and appropriated from the state
 3 general fund to the department of administration for payment of a claim made
 4 against the Arizona commission for the deaf and hard of hearing by the
 5 following claimant and in the following amount:

<u>Name</u>	<u>Claim No.</u>	<u>Dated</u>	<u>Amount</u>
Inacom	2DFARB01	FY99	\$ 10,227.06
			\$ 10,227.06

9 Sec. 14. Appropriation; purpose; exemption

10 A. The sum of \$1,100,000 is appropriated from the state general fund
 11 in fiscal year 2001-2002 to the Arizona health care cost containment system
 12 administration for the state emergency services program established pursuant
 13 to section 36-2901.06, Arizona Revised Statutes.

14 B. Notwithstanding any other law, monies appropriated in this section
 15 shall only be used to pay provider claims for services provided to persons
 16 who are eligible pursuant to section 36-2901.06, subsection A, Arizona
 17 Revised Statutes. For the purposes of this subsection, providers do not
 18 include inpatient or outpatient hospital services.

19 C. The appropriation made in subsection A of this section is exempt
 20 from the provisions of section 35-190, Arizona Revised Statutes, relating to
 21 lapsing of appropriations, except that all monies remaining unencumbered or
 22 unexpended on June 30, 2003 revert to the state general fund.

23 Sec. 15. Salaries for employees during active military duty

24 A. An officer or employee of this state who is a member of the
 25 national guard, army reserve, naval reserve, marine corps reserve, air force
 26 reserve or coast guard reserve is entitled to leave of absence from the
 27 officer's or employee's respective duties, without loss of pay, on all days
 28 during which the officer or employee is employed with or without pay under
 29 the orders or authorization of competent authority in the active service of
 30 this state or of the United States as prescribed by section 26-168, 26-171
 31 or 38-610, Arizona Revised Statutes. The leave of absence is in addition to
 32 the regular annual leave of the employee covered by title 41, chapter 4,
 33 articles 5 and 6, Arizona Revised Statutes, or exempted pursuant to section
 34 41-771, subsection A, paragraphs 1 through 5, paragraphs 8 through 11, or 13,
 35 Arizona Revised Statutes.

36 B. Notwithstanding any other law, if the president of the United
 37 States or the governor of this state declares that a state of emergency
 38 exists, and any person who is a member of the national guard or a branch of
 39 the reserves and covered by the provisions of title 41, chapter 4, articles
 40 5 and 6, Arizona Revised Statutes, or exempted pursuant to section 41-771,
 41 subsection A, paragraphs 1 through 5, 8 through 11, or 13 and subsection B,
 42 paragraphs 1 through 3, 7 and 8, Arizona Revised Statutes, is ordered to
 43 active service of the United States or this state, an additional leave of
 44 absence will be granted until the member is released from active service by

1 competent authority. During the additional leave of absence because of the
2 call of the president or the governor, any officer or any employee subject
3 to the provisions of title 41, chapter 4, articles 5 and 6, Arizona Revised
4 Statutes, or exempted pursuant to section 41-771, subsection A, paragraphs
5 1 through 5, 8 through 11, or 13, Arizona Revised Statutes, shall continue
6 to receive the officer's or employee's salary or compensation, less the
7 amount of all pay and allowances for military activities while in active
8 service of the United States or this state.

9 C. An officer or employee who receives compensation pursuant to
10 subsection B of this section is not entitled to accrue annual leave or sick
11 leave during the period of active duty service. Before qualifying for the
12 compensation pursuant to subsection B of this section, the officer or
13 employee shall have exhausted all annual and military leave balances at the
14 time of activation or at any time during the active military duty period.

15 D. During any five consecutive year period, an officer or employee may
16 receive compensation pursuant to subsection B of this section one time for
17 up to two hundred seventy days.

18 E. Within sixty days after the completion of the period of active
19 military duty of an officer or employee who received pay differential
20 pursuant to this section, the officer or employee shall provide proof that
21 the officer or employee rendered honorable service while on active duty
22 during any period for which the officer or employee received the pay
23 differential pursuant to this section. The state may seek recovery of the
24 pay differential from any person who fails to provide proof of honorable
25 service.

26 F. The director of the Arizona department of administration shall
27 establish procedures to be used by an eligible officer or employee to receive
28 compensation pursuant to subsection B of this section.

29 Sec. 16. Supplemental appropriation for fiscal year 2001-2002;
30 Arizona department of education; basic state aid

31 The sum of \$2,000,000 is appropriated from the state general fund in
32 fiscal year 2001-2002 to the Arizona department of education as a
33 supplemental appropriation for basic state aid.

34 Sec. 17. Supplemental appropriation for fiscal year 2001-2002;
35 state land department; fire suppression

36 A. The sum of \$2,700,000 is appropriated from the state general fund
37 for fiscal year 2001-2002 to the state land department for deposit into the
38 fire suppression revolving fund established pursuant to section 37-623.02,
39 Arizona Revised Statutes, for suppression of wild land fires and support of
40 other unplanned all risk activities.

41 B. The appropriation made in subsection A of this section is exempt
42 from the provisions of section 35-190, Arizona Revised Statutes, relating to
43 lapsing of appropriations, except that all monies remaining unencumbered or
44 unexpended on June 30, 2003 revert to the state general fund.

1 Sec. 18. Settlement payments; Ladewig v. State

2 The legislature allocates \$75,000,000 in fiscal year 2002-2003 for the
3 purposes of covering the first year payments and costs associated with the
4 case of Ladewig v. State of Arizona. The department of revenue shall draw
5 all amounts necessary pursuant to the authority prescribed in section
6 42-1117, Arizona Revised Statutes, for the payments and costs. From this
7 allocation up to \$15,000,000 may be used by the department of revenue for the
8 purposes of administration and review of payments. Additional administrative
9 funding may be required as part of future allocations. Before the
10 expenditure of up to \$15,000,000 for administrative expenses, the department
11 of revenue shall present an expenditure plan for joint legislative budget
12 committee approval that includes an estimate and scope of the entire
13 administrative requirement associated with disbursing payments and costs for
14 this case.

15 Sec. 19. Retroactivity

16 Section 15 of this act, relating to salary for employees during active
17 military duty, is effective retroactively to from and after September 11,
18 2001.

19 Sec. 20. Delayed repeal

20 Section 15 of this act, relating to salary for employees during active
21 military duty, is repealed from and after June 30, 2004.

22 Sec. 21. Emergency

23 This act is an emergency measure that is necessary to preserve the
24 public peace, health or safety and is operative immediately as provided by
25 law.

APPROVED BY THE GOVERNOR MAY 30, 2002.

FILED IN THE OFFICE OF THE SECRETARY OF STATE MAY 30, 2002.

Passed the House May 2, 20 02,

by the following vote: 57 Ayes,

0 Nays, 3 Not Voting

with emergency

[Signature]
Speaker of the House

Norman L. Fyfe
Chief Clerk of the House

Passed the Senate March 28, 20 02,

by the following vote: 25 Ayes,

3 Nays, 2 Not Voting

[Signature]
President of the Senate

Norma Lowe
Asst. Secretary of the Senate

EXECUTIVE DEPARTMENT OF ARIZONA
OFFICE OF GOVERNOR

This Bill was received by the Governor this

 day of , 20 ,

at o'clock M.

Secretary to the Governor

Approved this day of

 , 20 ,

at o'clock M.

Governor of Arizona

S.B. 1060

EXECUTIVE DEPARTMENT OF ARIZONA
OFFICE OF SECRETARY OF STATE

This Bill was received by the Secretary of State

this day of , 20 ,

at o'clock M.

Secretary of State

HOUSE FINAL PASSAGE
as per Joint Conference

Passed the House May 23, 2002,

by the following vote: 42 Ayes,

9 Nays, 9 Not Voting

with Emergency
John Elrod
Speaker of the House
Pro Tempore

Norman L. Moore
Chief Clerk of the House

SENATE FINAL PASSAGE
as per Joint Conference

Passed the Senate May 23, 2002

by the following vote: 22 Ayes,

0 Nays, 8 Not Voting

with Emergency
Randall Hunt
President of the Senate

Charmian Ballington
Secretary of the Senate

EXECUTIVE DEPARTMENT OF ARIZONA
OFFICE OF GOVERNOR

This Bill was received by the Governor

this 23 day of May, 2002

at 3:50 o'clock P M.

Sandra Ramsey
Secretary to the Governor

Approved this 30th day of

May, 2002,

at 1:15 o'clock P M.

Janice Klee Hull
Governor of Arizona

EXECUTIVE DEPARTMENT OF ARIZONA
OFFICE OF SECRETARY OF STATE

This Bill was received by the Secretary of State

this 30 day of May, 2002

at 3:49 o'clock P M.

Petrey Bayless
Secretary of State

S.B. 1060